

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

702 KAR 3:270, SEEK Funding Formula

Applicable Statute or Regulation:

KRS 157.360

History/Background:

Existing Policy. 702 KAR 3:270. SEEK Funding Formula provides details of the calculations used in the SEEK formula including the sources of the data used.

Since 1990, numerous reviews of the SEEK formula have demonstrated the formula has performed as designed, narrowing the difference between the highest property wealth districts and districts with the lowest property wealth. However, in the past few years several technical issues have been raised by a few districts with their concerns supported by their legislative delegation. In an effort to identify all issues, Kentucky Department of Education (KDE) staff visited with superintendents and finance officers in various regional and statewide settings to seek their input. Those meetings resulted in the identification of additional issues. All issues were bundled into a Request for Proposal seeking expertise in school finance to review the identified issues and make recommendations. Subsequently, a contract was awarded to *Augenblick, Palaich and Associates, Inc.* (APA). The resulting work was forwarded to you previously.

The questions/issues raised by superintendents and finance officers and addressed in the APA report are addressed in Attachment A. The KBE discussed the issues raised in the APA report, and KDE made revisions to 702 KAR 3:270 SEEK Funding Formula as a result of that discussion. The changes have been designed to clarify the complex funding formula and to provide better consistency with changes in statutory requirements. To comply with changing demands, the regulation has been amended to: (1) incorporate technology advances for data collection; (2) incorporate additional calculations to allow for assessment growth greater than 4% and (3) create a provision to allow for additional funding to districts experiencing rapid growth in student population.

A summary of major changes that are recommended are listed in Attachment B. Changes of a technical or editing nature are also included with this attachment.

Impact on Getting to Proficiency:

The SEEK funding formula is the primary mechanism used by the state to equitably fund the instructional program in all Kentucky schools. Without the most efficient, effective funding system, education in Kentucky cannot assist schools and districts in getting to proficiency.

Groups Consulted:

This process has been informed by the input of superintendents and finance officers since inception. The Local Superintendents Advisory Council will review the regulation and their comments will be reported at the December meeting.

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Deputy Commissioner

Commissioner of Education**Date:**

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